This listing of claims will replace all prior versions, and listings of claims in the application.

LISTING OF CLAIMS:

1.   (Currently Amended)   A computer-implemented method, executed in a first computer operated by an incentive administrator that is coupled over a computer network to a second computer operated by a payer and a third computer operated by a healthcare provider, of providing a monetary incentive, as determined by an incentive administrator, payable by a payer to a healthcare provider who decides payable to the healthcare provider upon completion of a course of treatment for a patient with a condition during an episode of care, the method comprising the steps of:

evaluating the condition of the patient obtained by a diagnosis receiving over the computer network from the payer a diagnosis of the patient performed by the healthcare provider and provided by the healthcare provider to the payer;

creating an episode of care based upon the diagnosis of the healthcare provider and a decided course of treatment;

creating a baseline value related to treatment of the condition;

associating a the baseline value related to treatment of the condition to the episode of care;

summing a plurality of claims processed during the episode of care of the patient for the condition to obtain a total treatment cost; and

determining a monetary inventive to pay to the healthcare provider if the total treatment cost is less than the baseline value, wherein a portion of the monetary incentive is retained by the incentive administrator. thus resulting in a cost savings;

causing a portion of the cost savings to be sent to the healthcare provider in the form of the monetary incentive; and

determining a portion of the cost savings to be retained by the incentive administrator.

2.   (Currently Amended)   A computer-implemented method according to claim 1 wherein the patient is associated with a health care organization and the step of determining

determines another monetary incentive to provide to the health care organization <u>from the cost savings</u> if the total treatment cost is less than the baseline value.

3.   (Previously Presented)   A computer-implemented method according to claim 2 wherein the health care organization is associated with the incentive administrator, and the step of determining determines a further monetary incentive to provide to the incentive administrator if the total treatment cost is less than the baseline value.

4-6.   (Cancelled)

7.   (Previously Presented)   A computer-implemented method according to claim 1 wherein during the treatment of the patient for the condition during the episode of care the patient encounters an additional condition and the step of associating the baseline value further includes the step of adjusting the baseline value to account for the additional condition.

8.   (Currently Amended)   A computer-implemented method according to claim 7 wherein the additional condition creates another episode of care and further including the steps of:

   associating another baseline value related to the treatment of the additional condition, the another baseline value being adjusted to account for the condition;

   summing another plurality of claims processed for the another episode of care of the patient for the additional condition to obtain another total treatment cost; and

   determining another monetary incentive to provide to the <u>healthcare</u> provider if the another total treatment cost is less than the another baseline value.

9.   (Previously Presented) A computer-implemented method according to claim 1 wherein during the treatment of the patient for the condition during the episode of care the patient encounters an additional condition that creates another episode of care and further including the steps of:

associating another baseline value related to the treatment of the additional condition;

summing another plurality of claims processed for the another episode of care of the patient for the additional condition to obtain another total treatment cost; and

determining another monetary incentive to provide if the another total treatment cost is less than the another baseline value.

10 - 15.   (Cancelled)

16.   (Currently Amended) A computer-implemented method according to claim ~~15~~ 1 where the step of ~~determining~~ creating the baseline value establishes the baseline value using a plurality of data relating to a plurality of previous episodes of care for the same condition.

17.   (Currently Amended) A computer-implemented method according to claim 16 wherein prior to the step of ~~determining~~ creating the baseline is the step of filtering to remove outlier episodes of care for the same condition to thereby establish the plurality of data relating to a plurality of previous episodes of care for the same condition.

18 - 30. (Cancelled)

31.   (Withdrawn)
32.   (Withdrawn)
33.   (Withdrawn)
34.   (Withdrawn)
35.   (Withdrawn)
36.   (Withdrawn)
37.   (Withdrawn)
38.   (Withdrawn)
39.   (Withdrawn)
40.   (Withdrawn)
41.   (Withdrawn)

42.   (Withdrawn)

43.   (Withdrawn)

44.   (Withdrawn)

45.   (Withdrawn)

46.   (Withdrawn)

47.   (Withdrawn)

48.   (Withdrawn)

49.   (Withdrawn)

50.   (Withdrawn)

51.   (Withdrawn)

52.   (Withdrawn)

53.   (Withdrawn)

54.   (Withdrawn)

55.   (Currently Amended) An apparatus for determining an amount of a monetary incentive, as determined by an incentive administrator and payable ~~by a payer~~ to a physician responsible for treatment decisions of a patient with a condition during an episode of care comprising:

a <u>first</u> computer system <u>operated by the incentive administrator,</u> including:

means for ~~inputting~~ <u>receiving from a second computer system operated by a payer communicably coupled to the physician,</u> data including the patient identity and the condition of the patient as diagnosed by the physician;

<u>means for creating an episode of care based upon the diagnosis and a decided course of treatment;</u>

<u>means for creating a baseline value related to the treatment of the condition;</u>

means for associating ~~a~~ <u>the</u> baseline value ~~related to treatment of the condition~~ to the episode of care;

means for summing a plurality of claims processed during the episode of care of the patient for the condition to obtain a total treatment of cost;

means for determining a monetary incentive to provide the provider if the total treatment cost is less than the baseline value, thus resulting in a cost savings; and

means for determining a first percentage of the monetary incentive cost savings to be paid to the physician as a monetary incentive, and a second percentage of the monetary incentive cost savings to be retained by the incentive administrator.

56 – 58. (Cancelled)